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House of Representatives

The House met at 10 a.m.

The Chaplain, the Reverend Daniel P. Coughlin, offered the following prayer:

All-Holy and All-Knowing God, as creation reveals Your desire for wholeness and coordinated unity between all creatures and the human family, so images of Your redeemed people give hope that hatred and prejudice of any sort diminish as true justice and peace break forth within the fabric of society and daily commerce.

Before You, Lord God, all human life is life in community.

Human wisdom confirms that each of us as a person is made for friendship, community and participation in public life. So, now bind this Nation as one. Let us stand together in compassion and the discipline of law as representative government addresses the needs of our time and searches out the path toward true human fulfillment and national security.

Your love upholds all and therefore calls each one of us to be more concerned for one another, both now and forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from South Carolina (Mr. WILSON) come forward and lead the House in the Pledge of Allegiance.

Mr. WILSON of South Carolina led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain up to five 1-minute speeches on each side of the aisle.

BAILING OUT WALL STREET

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. The problem with what Congress is trying to fix is that Paulson's premise is wrong, that if we take and dump \$700 billion into Wall Street, buying up their bad assets, somehow the benefits will trickle down to Main Street and prop up our struggling housing market. As Mr. Isaac, the former head of the FDIC says, "Having financial institutions sell the loans to the government at inflated prices so the government can turn around and sell the loans to well-healed investors at lower prices strikes me as a very good deal for everyone but U.S. taxpayers. Surely we can do better." He proposes a credible alternative, similar to something done during the savings and loan crisis.

There are many cheaper alternatives out there that don't put taxpayers on the hook. But if we are going to go ahead with the Paulson premise, then it should be paid for by Wall Street with a modest one-quarter of 1 percent transfer tax on securities, something we had from 1914 until 1966. The Brits apply a one-half of 1 percent tax, and they use that money just to fund their government. Here we would use it to help Wall Street heal itself.

Some are saying, well, the initial payment is only going to be \$250 billion now. \$250 billion would double our investment in infrastructure in the United States for 5 years.

PREDICTABLE AND AVOIDABLE

(Mr. WILSON of South Carolina asked and was given permission to ad-

dress the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, as we debate the beginning of the financial crisis, it is important to cite a New York Times article published on September 30, 1999, which highlights the dangers of Fannie Mae easing credit requirements for loans it plans to purchase.

According to the author, the decision by Fannie Mae was meant to "spur banks to make more loans to people with less than stellar credit ratings," and he forecasts that "Fannie Mae is taking on significantly more risk." They "may run into trouble during an economic downturn, prompting a government rescue similar to that of the savings and loan industry in the 1980s."

These views were shared by Peter Wallison of the American Enterprise Institute, who remarked that "the government will have to step up and bail them out." These are voices from the past predicting the problem we face today.

Indeed, it was not the failings of the free market, but the failure of those participating in the markets, as well as government mishandling, that has led to this current dilemma.

In conclusion, God bless our troops, and we will never forget September the 11th.

INDUSTRIAL CAPITALISM BEING DESTROYED

(Mr. KUCINICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KUCINICH. Mr. Speaker, industrial capitalism can finally be destroyed as we finish hollowing out our economy by substituting casino socialism, where the only real product is debt, where hard work in shaping raw materials into a product for a profit becomes "so yesterday" and we lead

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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